

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1030 - SB 1026

March 11, 2015

SUMMARY OF BILL: Authorizes motor vehicles not purchased by an eligible employee after a lease to be sold to any same-line franchised dealer in the state that processes the vehicles and serves as a designated return point by the manufacturer for the motor vehicles. Limits the number of such vehicles that a franchised dealer may purchase 30 motor vehicles per month. Prohibits such dealer from selling the vehicle wholesale for 90 days from the time the vehicle is purchased by the franchised dealer.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Currently, producers or manufacturers of motor vehicles may lease a certain number of vehicles to eligible employees. At the end of the lease, the manufacturer may sell the vehicle to the eligible employee. Any vehicle, at the end of the eligible employee's lease, which is not subsequently purchased by such employee, must be liquidated at a dealer-only auction which primarily consist of used-car dealers.
- This legislation allows a manufacturer to sell the unpurchased, previously employee-leased cars to a manufacturer-franchised dealer instead of requiring it to be sold at wholesale.
- This will not affect the regulatory procedures of the Tennessee Motor Vehicle Commission.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, reading "Jeffrey L. Spalding".

Jeffrey L. Spalding, Executive Director

/jdb

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